

HOUSE BILL No. 1933

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-6.1.

Synopsis: TRF contribution for teachers in new schools. Provides that the state shall fund: (1) any unfunded accrued liability in the retirement allowance subaccount of the pre-1996 account of the teachers' retirement fund (TRF); and (2) the unfunded accrued liability in the retirement allowance subaccount of the pre-1996 account of the fund includes liability for a member who served in a position covered by the fund from before July 1, 1995, until the date, after June 30, 1995, the member was hired by another school corporation or institution covered by the fund or rehired by a prior employer.

Effective: July 1, 2001.

Ruppel, Goodin, Cheney, Ayres

January 17, 2001, read first time and referred to Committee on Ways and Means.

C
o
p
y



Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1933

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 21-6.1-2-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) The board shall
3 segregate the fund into the following accounts:
4 (1) The pre-1996 account.
5 (2) The 1996 account.
6 (b) The board shall segregate each of the accounts established under
7 subsection (a) into the following subaccounts:
8 (1) The annuity savings account.
9 (2) The retirement allowance account.
10 (c) Except as provided in ~~subsection~~ **subsections (d) and (e)**,
11 member contributions shall be credited to the annuity savings accounts
12 within the pre-1996 account.
13 (d) **The following** member contributions made after June 30, 1995,
14 ~~with respect to the following members~~ shall be credited to the annuity
15 savings account within the 1996 account:
16 (1) **Contributions made for** a member who was hired after June
17 30, 1995, by a school corporation or other institution covered by

2001

IN 1933—LS 7199/DI 102+



C
o
p
y

the fund.

(2) **Contributions made after the date a member was hired by another school corporation or institution covered by the fund or rehired by a prior employer for a member who:**

(A) before July 1, 1995, served in a position covered by the fund; and

(B) after June 30, 1995, was hired by another school corporation or institution covered by the fund or rehired by a prior employer.

(e) Member contributions made to the pre-1996 account ~~with respect to after June 30, 1995, and before the date the member is hired by another school corporation or institution covered by the fund or rehired by a prior employer for a member covered by subsection (d) who:~~

(1) before July 1, 1995, served in a position covered by the fund; and

(2) after June 30, 1995, was hired by another school corporation or institution covered by the fund or rehired by a prior employer;

shall ~~be transferred to remain in~~ the annuity savings account within the ~~1996 pre-1996~~ account **after the date the member is hired by another school corporation or institution covered by the fund, and the member continues as a member of the fund in the pre-1996 account for service performed before that date.**

(f) Employer contributions made after June 30, 1995, ~~with respect to the pre-1996 account for members described in subsection (d) who before July 1, 1995, served in a position covered by the fund~~ shall be credited to the retirement allowance account within the ~~1996 pre-1996~~ account **until the date, after June 30, 1995, the member is hired by another school corporation or institution covered by the fund or rehired by a prior employer. Employer contributions made on or after the date the member is hired by another school corporation or institution covered by the fund or rehired by a prior employer shall be credited to the retirement allowance account within the 1996 account, and the member becomes a member of the fund in the 1996 account on that date.** Employer contributions made after June 30, 1995, with respect to all other members shall be credited to the retirement allowance account within the pre-1996 account.

(g) Employer contributions, if any (as determined by the board), made to the pre-1996 account ~~with respect to before June 30, 1995, for a member covered by subsection (d) who:~~

(1) before July 1, 1995, served in a position covered by the

C
o
p
y



1 fund; and

2 (2) after June 30, 1995, was hired by another school
3 corporation or institution covered by the fund or rehired by
4 a prior employer;

5 shall be transferred to remain in the retirement allowance account
6 within the 1996 pre-1996 account.

7 (h) The board shall administer these accounts and subaccounts as
8 specified in IC 5-10.2-2.

9 SECTION 2. IC 21-6.1-7-12 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 12. (a) Annually, the
11 board shall certify to each school corporation and each school
12 corporation shall pay its employer contribution rate to the fund,
13 computed as specified in IC 5-10.2-2 for the employer contribution for
14 teachers covered by the 1996 account, including its share of
15 administration expenses for the 1996 account.

16 (b) **This section does not apply to the unfunded liability**
17 **described in section (e).** The board shall determine the amount of
18 unfunded accrued liability of the school corporations. The board shall
19 determine the unfunded accrued liability by individual employers or by
20 a group of employers. The school corporations shall pay the amount in
21 a lump sum or amortize the amount over a period determined by the
22 board.

23 (c) **This section does not apply to the unfunded liability**
24 **described in section (e).** The payments by school corporations for the
25 amounts in subsections (a), (b), and (d) are allocated to the school
26 corporations and not to the state.

27 (d) **This section does not apply to the unfunded liability**
28 **described in section (e).** If a school corporation's account shows a
29 deficit, the board may require the school corporation to make additional
30 payments necessary to eliminate the deficit, in addition to the employer
31 contributions computed under subsections (a) and (b).

32 (e) **The unfunded accrued liability attributable to the retirement**
33 **allowance subaccount of the pre-1996 account for a teacher who:**

34 (1) before July 1, 1995, served in a position covered by the
35 fund; and

36 (2) after June 30, 1995, was hired by another school
37 corporation or institution covered by the fund or rehired by
38 a prior employer;

39 remains attributable to the retirement allowance subaccount of the
40 pre-1996 account after the date, after June 30, 1995, the member
41 is hired by another school corporation or institution covered by the
42 fund or rehired by a prior employer. This liability shall be

C
O
P
Y



- 1 allocated to and paid by the state, and contributions funding this
- 2 liability shall be paid into the retirement allowance subaccount of
- 3 the pre-1996 account.

C
o
p
y

